

Women, Power, & Money

The Shift to the
Female-Driven Economy

Insights Into Who She Is and How to Reach Her

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About the principals: Fleishman-Hillard, headquartered in St. Louis, is a leader in international marketing and communications, and one of the premier public relations agencies in the world. Harrison Group, headquartered in Waterbury, Conn., is a strategic marketing consulting and research services firm. Three principals at Harrison Group recently co-authored *The New Elite: Inside the Minds of the Truly Wealthy*.

Executive Summary

As 2010 unfolds, the leadership role of women continues to strengthen – in the family and in society at large. The ascendant role of women has laid the foundation for what we call the New American Matriarchy, with today's woman now effectively serving as the CEO, CPO, CFO and COO of the American household. She sets the agenda – 87% agree “people come to me for advice.” She is self-directed – only 14% “look at what my friends are doing to find out what I should be doing.” She is successful on her own terms, and with her own style. She is confident with the mantle of responsibility.

The continuing economic slowdown has solidified, not weakened, her role. Her strengths are everyone's new “must-have” qualities: resourcefulness, thoughtfulness, putting family before self, and exercising a savvy due diligence in the shopping process. The economy has strengthened her resolve: 96% are confident they will make it through the recession, and three-fourths expect the coming year to be a better one financially. The economy sharpened her sense of priorities; 81% have drawn closer as a family, and 76% have become more confident in their ability to handle difficult situations. She has even grown happier and more optimistic about her own life, while becoming increasingly pessimistic about the future of America and the world at large.

Financially, the sting of the economic downturn shows signs of softening, albeit slightly. But that softening sting hasn't translated to increased spending. In fact, category participation is likely to drop, and spending is likely to weaken further across most categories (only the “new essentials” are likely to see stable spending levels: healthcare, education, and surprisingly, wireless phones and Internet). Due diligence in the shopping process continues to increase: using coupons and looking for promotional offers continue to go up, and doing research online before purchasing is rising from already high levels. In many categories, 70-80% of women expect to maintain their current spending levels or increase them slightly – among higher-income women and empty nesters, the percentages rise even higher. Marketers would be well-served to focus on the customers who remain active in their categories (as opposed to enticing largely disinterested prospects back to the store), and to reward those who have remained loyal to their brands.

Marketers must realize that spending will continue to lag, not solely due to financial concerns, but because the Great Recession has fundamentally reshaped her priorities. Nearly two-thirds agree: “I have made changes to my lifestyle that I consider permanent (I won't go back to the old way of doing things, even after the economy improves).” The economy has made her feel smarter, not deprived, so don't expect an immediate return to spending as the economy regains its feet. Marketers must help her feel smart for purchasing, providing tremendous value while also speaking to her values. Marketers must position their products with seriousness, substance and meaning – celebrity and frivolity do not resonate.

Finally, marketers face a challenge in not only fine-tuning messages for today's women, but in simply getting her attention. Advertising struggles to break through, and its credibility is often questioned. Social media use has grown strongly, but its use remains primarily social rather than commercial – less than a third are a friend/fan of a company, and less than one-fifth are a friend/fan of a product. Conversely, promotions get attention, and word-of-mouth is potent -- conversations with friends and family are among the most important purchase drivers in many categories. Savvy marketers will focus not only on the “surprise and delight” experiences that will inspire word-of-mouth, but also help arm her with what to say – making it easy for her to share her experiences, to spread key messages, and point others in the right direction. She is less interested in being talked to and more interested in jointly managing a relationship with a brand and category. In a sense, marketers must come to view themselves less as marketers of product X, but rather as ambassadors for the passions underlying category Y.

Key Take-Aways from Waves 1 and 2: Marketers Misreading the New American Matriarch

In the summer of 2008, Fleishman-Hillard engaged Harrison Group, an independent market research firm, to conduct a study on today's woman—the driving force in the economy.

Specifically, we set out to uncover:

- Her evolving roles
- Her expanded influence on the economy
- How to meaningfully reach her
- What this information means to marketers

Women, Power & Money

- **Objective:** a deeper understanding of today's evolving woman, enabling more effective communications, marketing & relationships
- **Research Participants:**
 - Women aged 21 to 70
 - Nationally representative
 - Annual pre-tax household income: \$25,000+
 - Consider themselves "successful" (6-10 on a 10 point scale)
- **Research Partner:** Harrison Group, a leading marketing research and strategy firm

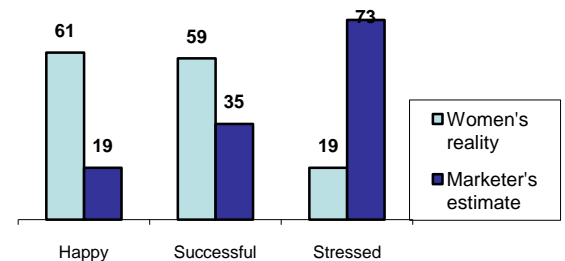


Wave One of our study uncovered what we labeled The New American Matriarchy (or more informally, the mom-ocracy). Simply put, today's woman sets the agenda – or herself, her family, and by extension, the nation and the economy as a whole. Every woman in our study – a 100% figure which is unheard of in market research – described themselves as the sole or shared decision-maker in her household.

She is not only in charge, but she feels highly successful. One criterion for inclusion in our study was that all respondents rate themselves a six or higher on a 10 point success scale. Fully 89% met that criterion – in other words, only 11% declared themselves to not be successful. Furthermore, 59% considered themselves to be highly successful, rating themselves an 8, 9 or 10. We set out to study today's successful woman and discovered that virtually all women today consider themselves successful.

She sets the agenda. She's successful on her own terms. She is not the new man. She isn't changing the rules... she's already changed the game.

Wave One also revealed a profound disconnect between today's woman and the marketers who attempt to connect with her. We interviewed 48 senior marketing executives and discovered that marketers fundamentally misread today's woman – her passions, her brand preferences, and her self-concept. Marketers view her as stressed; she views herself as happy and successful. Marketers also underestimate her role as the arbiter of culture in society as reflected in her passion for travel, books and music. At the same time, businesses vastly overestimate her need to “wear the right brands,” her passion for fashion, and her affinity for celebrity endorsements.



% passionate about...	Women's Reality	Marketer's Estimate	Gap
Travel	60	38	+22
Books	59	21	+38
Music	46	13	+33
Health	57	73	-16
Money	37	58	-21
Career	35	69	-34
Beauty	27	46	-19
Fashion	27	60	-33
Celebrities	10	35	-25

She's here. She's in charge. Get used to it.

Wave Three of our study reveals that the New American Matriarchy remains in full force. The economic downturn has placed a premium on resourcefulness, thoughtfulness, and due diligence in the shopping process. Her strengths are the new “must-have” qualities. It is no wonder that she has become, and will continue to be for the foreseeable future, the CEO, CPO, CFO and COO of the American household.

<i>Chief Executive Officer</i>	79% agree “In the end, my opinion determines family financial decisions”*
<i>Chief Purchasing Officer</i>	69% are primarily responsible for buying groceries and basic supplies
<i>Chief Financial Officer</i>	52% are primarily responsible for paying the bills
<i>Chief Operating Officer</i>	86% feel they are “the manager for the quality of my family’s life”

* wave one data

She is a leader, not only at home, but among her circle of friends, and in the workplace as well. She is self directed – looking within for direction rather than looking to others. A remarkable 87% agree “people come to me for advice,” and essentially the same number (86%) tell us they do not “look at what my friends are doing to find out what I should be doing.”

Her leadership is evident, for example, in the division of labor within the household. Day-to-day management is clearly her responsibility, from cooking and cleaning to decorating the house and managing *everyone’s* schedule.

% describing each as “my responsibility	% describing each as a “joint responsibility”
Purchasing gifts for friends and family 78	Purchasing major household items 81
Communicating with kid’s school, MDs* 70	Deciding what we watch on TV 80 ↑
Purchasing clothing 69	Choosing the brand of auto to purchase 80 ↑
Buying groceries, toiletries, etc. 69	Disciplining the children* 73
Cooking / providing food for meals 67	Planning what we do for fun 72 ↑
Scheduling household appts and activities 63 ↓	Having important “talks” with the children* 70
Cleaning up around the house 58	Deciding when we eat out 70
Interior design 57	Health/housing decisions for elderly relatives** 64
Keeping up with family health matters 54 ↓	Planning vacations 64
Paying bills 52	Purchasing high tech products 57
	Entertaining in our home 55
	Financial planning 51 ↑

* among those with kids <18 at home

As the recession has worn on, she’s getting a bit more help – scheduling household activities and keeping up with family health matters are now less exclusively her responsibility, while there’s a greater sense of sharing in activities as diverse as financial planning, big-ticket purchases, and leisure activities. The economy, as we shall see, has not only cemented her leadership role within the family, but it has pulled families closer together. This fits with her natural leadership style which emphasizes discussion and consensus over decision by fiat. The opinions of the spouse and the children are sought and respected – in family decisions and marketplace decisions – but more often than not, the final decision is hers.

She's Concerned, but Confident...and Getting Happier!

Economic concerns continue to weigh heavily on her mind, shaping everything from her general attitudes about America to her day-to-day purchase decisions. But these concerns are lifting slightly, and more importantly, they aren't getting her down emotionally. The result is a collection of nuanced attitudes that reflect her ability to comfortably handle the paradoxes of life today. Consider that...

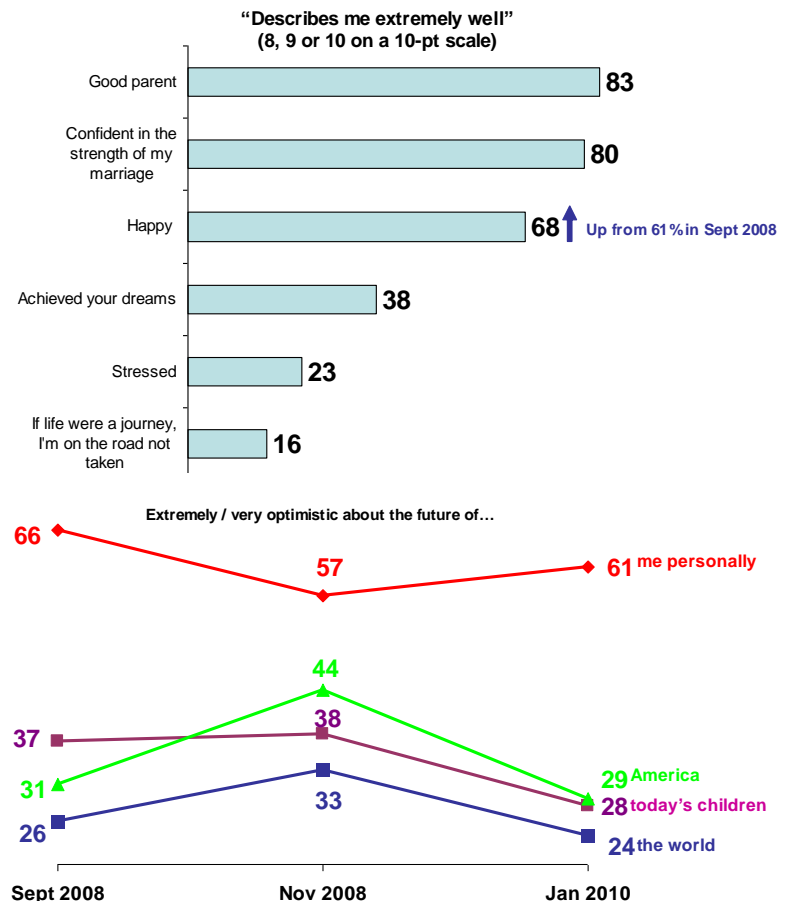
- Patriotism has risen to nearly-universal levels, but three-fourths remain angry at America's leadership.
- Virtually all are confident they will make it through the recession, but nearly half still worry they could run out of money (a figure trending down modestly).
- Three-fourths (and growing) believe the coming year will be a better one financially. And although the percentage who feel worse off financially than a year ago has dropped from 59% to 39%, that figure remains higher than 18 months ago and is high enough to continue suppressing spending across most categories (as we shall see).

	Sept 2008	Nov 2008	Jan 2010
I am confident I will make it through this recession	--	95	96
I am proud to be an American	87	--	93 ↑
This year will be a better year financially for me	--	64	73 ↑
I am angry at America's leaders for what has happened to the condition of our country today	--	82	74 ↓
I worry that we could run out of money	54	57	48 ↓
Financially, I am worse off now than I was a year ago	29	59	39 ↓

The seeming paradoxes continue. Economic concerns weigh heavily on her mind (and her wallet), but have strengthened both her family life and her emotional resolve.

- 81% feel they have become more resourceful
- 81% have drawn closer as a family
- 76% have become more confident in their ability to handle difficult situations
- 68% now describe themselves as extremely happy, up from 61% in September 2008

In spite of the challenges facing her and her family (not to mention her nation and the world), she maintaining her personal sense of optimism about her future. In November 2008, soon after the first major intensification of national economic distress, her optimism in her own future dipped, while we saw a distinct post-election "Obama bump" in optimism about America and the world. Now, 14 months later, her personal optimism is trending back up, while her optimism about America and the world at large has tumbled to new lows.

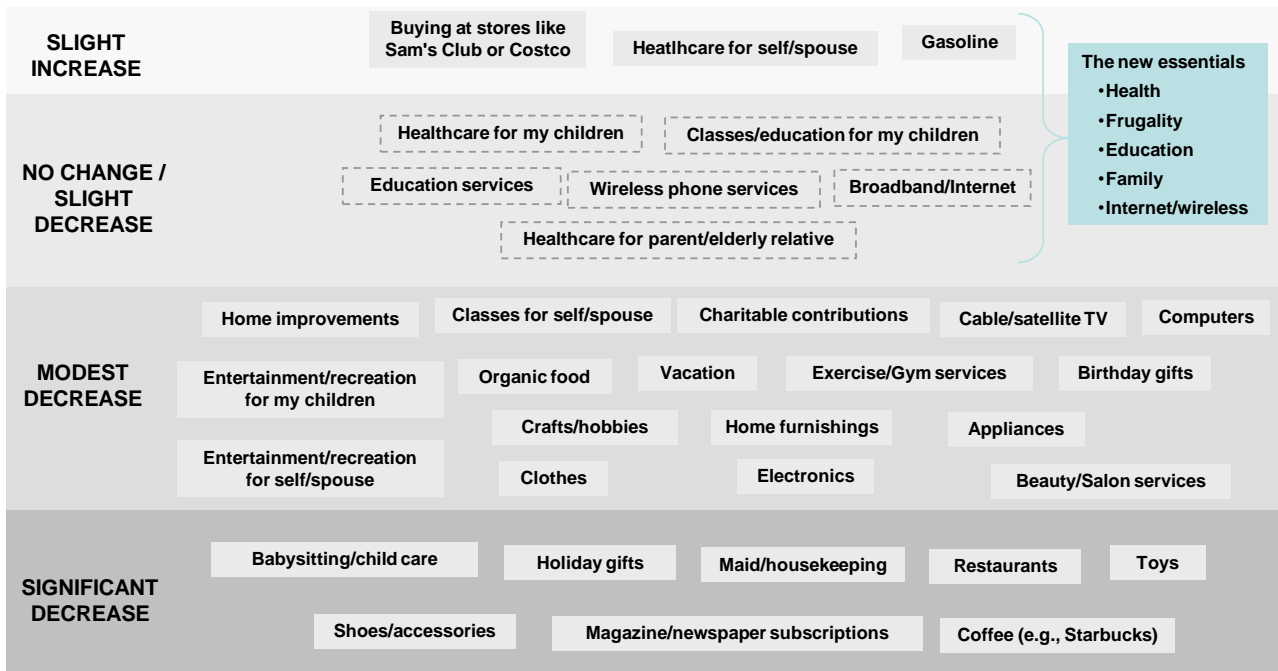


She Shops Patiently, Practically and Prudently

Her shopping patterns reflect her overall mindset – she brings a prudent, resourceful, family-oriented approach to marketplace decisions across a variety of categories. More than 80% describe themselves as “more thoughtful than ever before about every purchase decision I make,” and a similar number “usually wait for something to go on sale before I buy.” Price shopping on the Internet is trending up from already high levels as is coupon use. At the same time, there is a certain “softening of the sting” apparent in other metrics such as credit card curtailment, the distaste for financial risk, and the prevalence of monthly budgeting.

But make no mistake – although financial pain is easing slightly, we see no immediate return to pre-recessionary spending patterns. Spending projections across a variety of categories suggest virtually no areas of increased discretionary spending. At best, certain categories – what we might consider “the new essentials” – are likely to see stable or only slightly decreased spending. These categories include family healthcare, education, and – remarkably – Internet and wireless services.

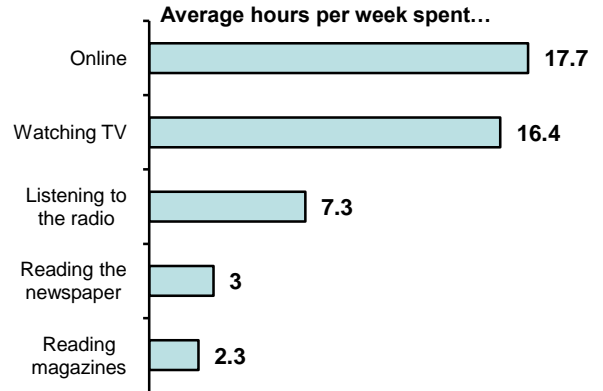
	Sept 2008	Nov 2008	Jan 2010
I am more thoughtful than ever before of every purchase I make	80	87	84
I usually wait for something to go on sale before I buy	86	--	86
I do online research before making a purchase to make sure I get the right price	79	--	85 ↑
I shop with coupons regularly	66	--	74 ↑
I have significantly curtailed credit card use	--	72	63 ↓
I believe that financial risk causes unhappiness	--	69	58 ↓
I am actively planning a budget every month	--	65	59 ↓



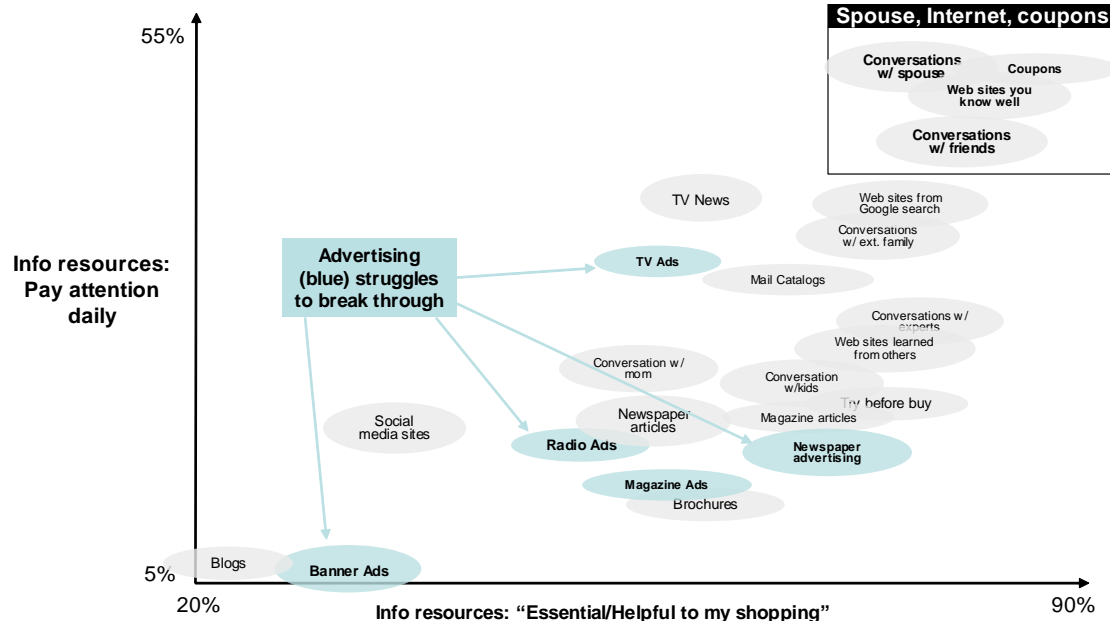
She Is Engaged with Media, Yet Challenging to Reach

For today's woman, media use is essentially a full-time job – consuming an average of 46 hours per week, led by the Internet and television. Like her shopping, her media consumption continues to be shaped by the economy...

- 63%: I am more attentive to stories about companies that are doing well
- 51%: I am paying attention to experts in the press on how to control spending
- 41%: I am scanning my favorite magazines on how to deal with today's economic problems
- 39%: I am reading the newspaper more carefully than before



The challenge for marketers is not so much getting messages in front of her, but rather presenting messages that engage her attention, speak to her interests, and break through the profound sense of distrust she has for institutions in general, and businesses in particular. Her shopping is primarily shaped by conversations with her family and friends, Web sites she regularly visits, and coupons. Advertising and traditional media struggle to break through the clutter and win her trust.



For marketing purposes, social media suffers from the same challenges as traditional media. Social media captures a significant amount of her time and attention. For example, 65% frequently/occasionally communicate on social networking sites via computer, and 35% do so with a mobile device. She averages 134 friends on Facebook. But marketers face an uphill climb: less than one-third of Facebook users are a friend/fan of a company, and less than one-in-five are a friend/fan of a product.

Key Take-Aways for Marketers

Recognize that women are more similar than different. There are, of course, significant differences among women based on their income, ethnicity, age, region, employment status, and so on. But the data are clear that women today are far more similar than different. Virtually all the key trends highlighted in this white paper are consistent across sub-groups, including...

- Her roles as household CEO, CFO, CPO and COO
- Her resourceful, yet increasingly happy, outlook
- Her reluctance to resume spending at pre-recession levels
- Her enthusiasm for media and technology

Don't expect a return to the glutonomy. Nearly two-thirds agree: "I have made changes to my lifestyle that I consider permanent (I won't go back to the old way of doing things, even after the economy improves)." Her resourceful attitude means the challenging economy is making her feel smarter (and closer to her family) – it is not necessarily making her feel deprived. As a result, don't expect an immediate return to spending as the economy regains its feet.

Speak to her values. Marketers must position their products with seriousness, substance and meaning. Her brand preferences (right) reflect her values and have become intensified as the economy puts a premium – not just on making the right decision – but on not making a bad one. Quality brands help perform this risk-management function. Frivolity doesn't cut it – substance does.

Help her feel smart for spending. She has been shopping less because it makes her feel smart, and she won't return to spending until that makes her feel smart as well. Whether it is offering value-added upsells, savvy bundles, or upgrading the perks (tangible and emotional) that you provide to your best customers, ensuring that she gets more for her money is the most sure path to re-engaging her.

Be a leader. Being an authentic leader in the information and lifestyles relevant to your category, is the best way to build solid relationships, generate publicity, and develop a meaningful social media presence. Thinly-veiled marketing uses of social media will be dismissed, while being a true ambassador for your category (and the passions underlying it) are the best starting points to a powerful social media following.

I like brands that...

- Have a reputation for the best quality 98
- Are known for the reliability of their products 98
- Have a reputation for taking care of their customers 97
- Reflect high craftsmanship 96
- Have a reputation for service 96
- Offer the best price in their category 95
- Are strong enough to endure times of recession 93

Want more?

This white paper summarizes key highlights from Wave Three of Women, Power & Money. But there is much more, including extensive information about her media and technology usage. We also have in-depth profiles of segments such as high-income women, Hispanic women, African-American women, word-of-mouth leaders, those intending to purchase in any of 20+ product categories, and many more. Together, the three waves of our study represent a powerful database that can be mined to address any number of specific marketing questions. In addition, Wave Four is slated for a significant expansion, include deeper dives into product categories and brand dynamics.

To learn more, access the existing data, or become a partner in future waves of the research, please contact Nancy Bauer, Deputy General Manager/Senior Partner, Fleishman-Hillard; 404.739.0109; nancy.bauer@fleishman.com